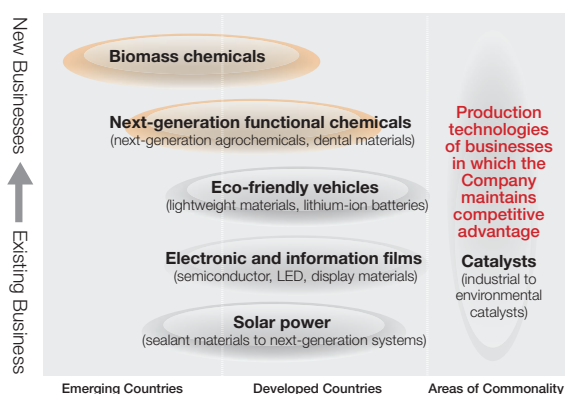


5

development areas**Create Next-Generation Core Businesses****Policy:**

Selectively Channeling R&D Resources toward Priority Research Themes Contributing to Broader Society while Achieving Greater Harmony with the Environment

Five Development Areas	Priority Research Themes	(Billions of yen) Forecast Sales (Around 2017)
Solar power components	• Next-generation sealant sheets, other	40
Electronic and information films	• Lightweight LCD films, other • LED/semiconductor process films (product cluster formation)	50
Materials for eco-friendly vehicles	• Lightweight materials (foam, heat-resistant, other) • Materials for lithium-ion batteries (electrode materials, separators)	50
Next-generation functional chemical products	• New pesticides (pesticides, disinfectants, herbicides) • Dental materials (new product development through partnership with Shofu)	50
Biomass chemicals	• Bio-based polyurethane (polyols from castor oil, special isocyanates, other)	10
		Total 200

R&D Direction and Important Research Domains**Create Next-Generation Core Businesses**

In its efforts to further transform its business portfolio, Mitsui Chemicals recognizes the need to nurture additional forward-looking core businesses that contribute to broader society while achieving greater harmony with the environment, to better complement its five priority and world-leading businesses.

In this context, the Company recognizes that the direction of its future business development lies in three key areas where chemicals can play a major global-scale role. Specifically, the Company will pursue business opportunities in convenience and functional materials that offer a safe, rich and comfortable lifestyle; healthcare and high-quality materials that place a premium on a high quality of life; and new energy and environmental materials that incorporate concerns for the global environment.

In each of these fields, Mitsui Chemicals has identified specific growth markets. The Company has also established five development areas in which it is well

**PO compounds**

Polyolefin-based compound products including the adhesive resin ADMER™

positioned to harness its competitive advantages in existing businesses as well as core and fundamental technologies. Moreover, these five development areas offer the promise of growth and the opportunity to nurture future core businesses.

These five development areas comprise solar power components, a vital option in the battle against global warming and key element of the new energy market; biomass chemicals that help address environmental and resource issues; electronic and information films, which as performance materials are playing a critical role underpinning increasingly comfortable lifestyles in the expanding markets of emerging countries; materials for eco-friendly vehicles; and next-generation functional chemical products that support high-quality consumer goods markets in developed countries.

R&D has been earmarked for allocation to these five development areas over the next three years. Along with results for existing products, plans are in place to achieve sales of ¥200 billion around 2017.

Develop Products in the New Energy and Environment Fields

Today, such international energy and environmental issues as global warming, shortages in the supply of food and water in the midst of an ever-increasing global population, and environmental pollution and resource depletion largely attributable to rapid economic growth in emerging countries are attracting increased attention. These issues have been further highlighted by the Great East Japan Earthquake and subsequent nuclear accident.

The role to be played by chemicals in resolving these issues is therefore assuming greater importance. Against this backdrop, Mitsui Chemicals is committed to helping address these problems through the creation of new products and services in performance materials and functional chemicals areas.

In this context, the Company is developing sealant sheets and other next-generation products in the field of solar power generation, one of several vital sources of renewable energy. In addition, Mitsui Chemicals is engaging in lithium-ion battery materials research for use in next-generation vehicles. As a first step in the consumer market, the Company has succeeded in developing practical applications

for electrolytic solutions and electrode binders.

Furthermore, Mitsui Chemicals is taking steps toward the practical application of reducing additives to help cut the NOx emissions of diesel vehicles. In order to contribute to increased automotive fuel efficiency, the Company is also promoting the development of lightweight materials.

In the polyolefin- and aromatic-related fields, Mitsui Chemicals maintains a rich portfolio of products derived from fossil fuel resources. Taking into consideration, however, the growing demand for CO2 reduction and resource diversification, the Company is looking to commercialize bio-based polyurethanes as materials that draw on biomass raw materials.

The New Business Development Division

Yasushi Nawa, General Manager

The New Business Development Division strives to put forward business models that transcend the established chemical industry stereotype of simply delivering materials. In proposing these models, the Division is taking a leading role in reforming the mindset of the Group as a whole. Guided by the keywords "sustainability" and "open innovation," the Division is endeavoring to create large-scale businesses that encompass such wide-ranging fields as agriculture, food, and water treatment in an effort to contribute to the global environment as well as to nurture a diverse pool of expertise and knowledge that extends beyond in-house ideas and seeds by promoting collaboration encompassing industry and academia as well as external fields and global efforts.

Automotive Materials Division

Akio Hirahara, General Manager

With the mission of creating new automotive products and businesses, the New Market Development (Automotive Materials) Division was launched in April 2010 to strengthen Groupwide automotive material marketing activities.

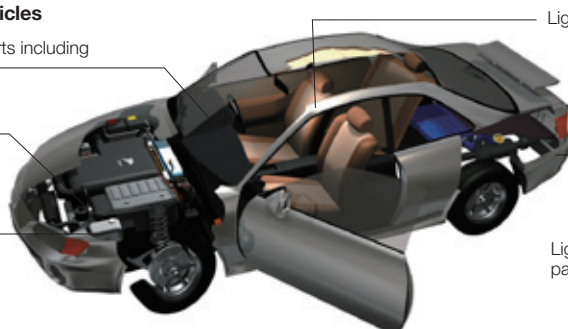
Recognizing that demand for next-generation automobiles is steadily gathering pace, Mitsui Chemicals has identified eco cars as a priority development theme in its 2011 Mid-Term Business Plan. In line with this theme, the Company is building business models based on the needs of customers, with a keen eye toward using lighter weight resin and foam materials as well as developing materials for the lithium-ion batteries essential to electric mobility.

Materials for eco-friendly vehicles

Lightweight materials for interior parts including instrumental panels and buffers

Heat resistant lightweight materials

Materials for next-generation lithium-ion batteries



Lightweight solution using bio-based polyurethane

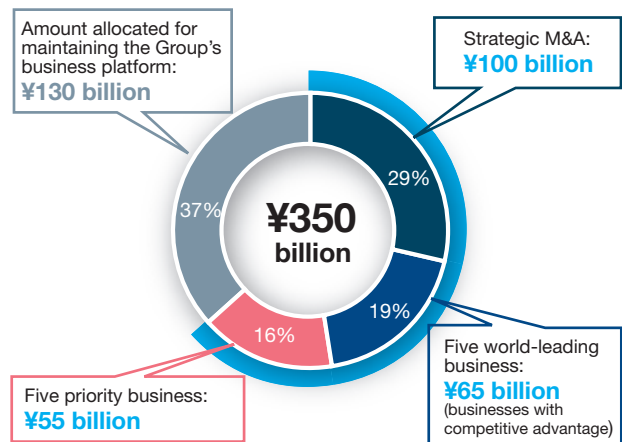
Light weight materials for exterior parts including bumpers

Management Resource Investment Plan Investment Plan

Mitsui Chemicals plans to invest a total of ¥350 billion during the period of the 2011 Mid-Term Business Plan. This figure includes around ¥100 billion in Groupwide M&A activities.

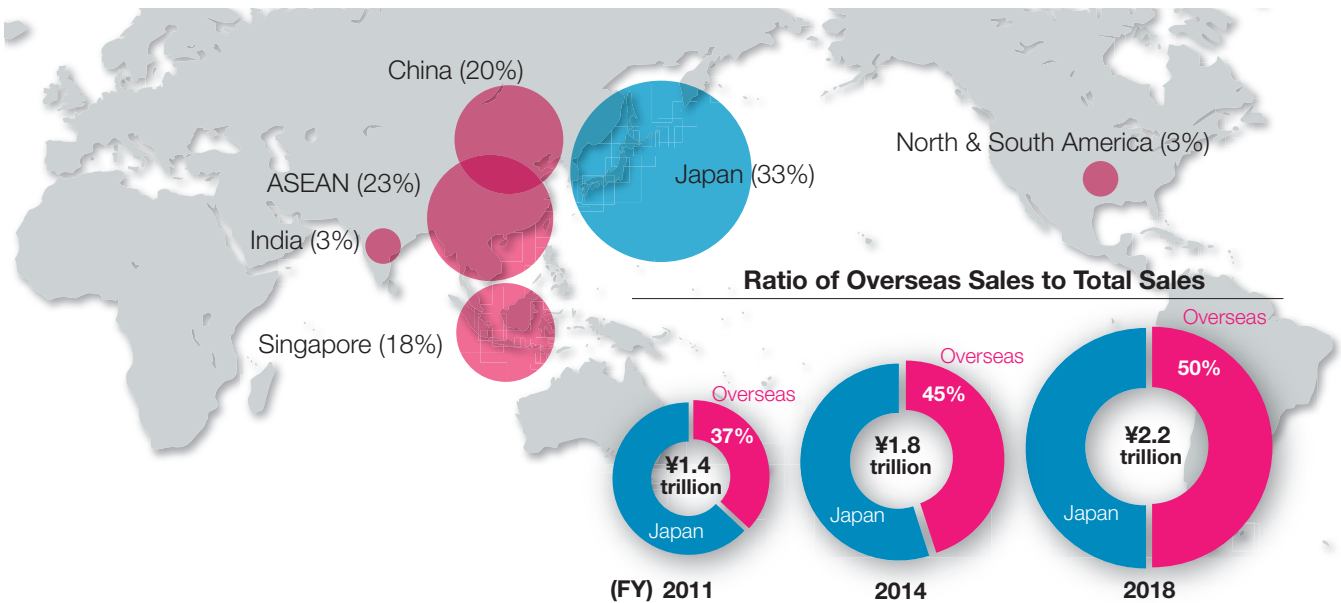
More specifically, the plan entails selectively allocating more than 60% of this total or around ¥220 billion to strategic M&As as well as to growth-oriented investment in each of the Group's five world-leading and five priority businesses, an approach that reflects the Group's focus on developing business portfolios distinguished by growth and continuity. By geographic region, the Group will work swiftly to capture demand in markets that are exhibiting remarkable growth, including China and Asia. To this end, more than 60% of the ¥120 billion earmarked for self-perpetuating growth investment will be channeled toward the Asia market.

Growth-Oriented Investment Including M&A: ¥220 billion (63%)



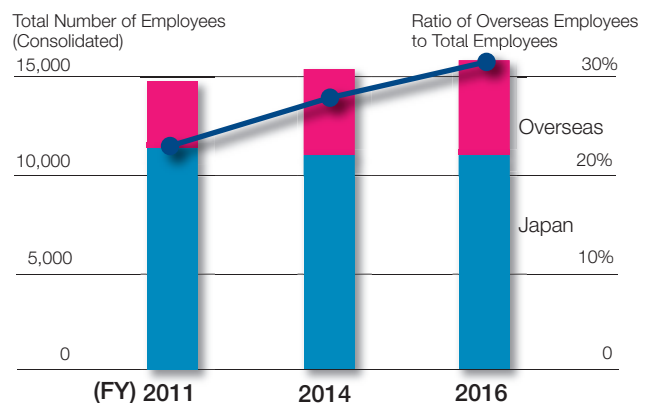
Growth-Oriented Investment: ¥120 billion

(Excluding strategic M&A and funds used to maintain the domestic business platform)



Optimizing the Workforce

In an effort to further promote the globalization of its business, the Mitsui Chemicals Group recognizes the need to cultivate human resources capable of excelling on the world stage while at the same time emphasizing localization. The Group is selectively channeling human resources toward overseas bases with the aim of facilitating the shift of head office functions offshore, bolstering overseas R&D and technological services, and launching new overseas projects. Working to maintain a viable position in a domestic market that continues to contract, the Group is rationalizing its workforce, focusing particularly on head office indirect functions in an effort to ensure a lean and agile corporate constitution. Through these means, the Mitsui Chemicals Group is aiming to increase the ratio of overseas employees to total employees to nearly 30% in FY2016.



The changes by M&A are excluded.
The employees temporarily transferred to the affiliated companies are included.